

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER made this _____ day of _____, _____, is incorporated into and amends and supplements that Deed of Trust dated of even date herewith ("Deed of Trust"), given by the undersigned ("Borrower") to secure Borrower's Note to _____ ("Lender") and covering the real property and improvements thereon described in the Deed of Trust and located at _____ ("Property") the Property is a unit in, together with an undivided interest in the common elements of, a condominium project known as _____ ("Condominium Project").

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Deed of Trust, Borrower and Lender further covenant and agree as follows:

A. *Assessments.* Borrower shall promptly pay, when due, all assessments imposed by the owners association or other governing body of the Condominium Project ("Owners Association") pursuant to the provisions of the declaration, by-laws, code of regulations or other constituent document of the Condominium Project.

B. *Hazard Insurance.* So long as the owners Association maintains a "master" or "blanket" policy on the Condominium Project which provides insurance coverage against fire, hazards included within the term "extended coverage", and such other hazards as Lender may require, and in such amounts and for such periods as Lender may require which amounts shall be, per unit, no less than those amounts set out in paragraph 8 of the Deed of Trust, then:

- (i) Lender waives the provision of paragraph 4 of the Deed of Trust for the monthly payment to Lender of one-twelfth of the premium installments for hazard insurance on the Property;
- (ii) Borrower's obligation under paragraph 8 of the Deed of Trust to maintain hazard insurance coverage on the property is deemed satisfied; and
- (iii) The provisions in paragraph 8 of the Deed of Trust regarding application of hazard insurance proceeds shall be superceded by any provisions of the declaration, by-laws, code of regulations or other constituent document of the Condominium Project or of applicable law to the extent necessary to avoid a conflict between such provisions and the provision of paragraph 8 of the Deed of Trust. For any period of time during which such hazard insurance coverage is maintained, the immediately preceding sentence shall be deemed to have no force or effect. Borrower shall give Lender prompt notice of any lapse in such hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any such proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Deed of Trust, with the excess, if any, paid to Borrower.

C. *Lender's Prior Consent.* Borrower shall not, except after notice to Lender and with Lender's prior written consent, partition or subdivide the Property or consent to:

- (i) the abandonment or termination of the Condominium Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- (ii) any material amendment to the declaration, by-laws or code of regulations of the Owners Association, or equivalent constituent document of the Condominium Project, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Condominium Project; or
- (iii) the effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Condominium Project.

D. *Remedies.* If Borrower breaches Borrower's covenants and agreements hereunder, including, but not limited to, the covenant to pay when due condominium assessments, then Lender may invoke any remedies provided under the Deed of Trust, including, but not limited to, the exercise of the power of sale as described in paragraph 22 of the Deed of Trust.

Borrower

Borrower